

Local Planning for Economic Development: Florida's Growth Management Act in Practice

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The terms "growth" and "development" are increasingly being viewed as distinct, but interrelated, processes with spatially-specific outcomes. (Flammang, 1979). Local development efforts must cope with rapidly changing economic situations, and the roles of technology, innovation, and entrepreneurship are recognized as critical to the long-term development process (Malecki and Nijkamp, 1988). "New" economic development strategies address community-specific needs for new and better jobs, diversified economic bases, and revitalized economic environments that build on local strengths to shape the community's economic future. As an endogenous process that involves local governments and public or private organizations, "local economic development" attempts to ". . . stimulate or maintain business activity and/or employment . . . to develop local employment opportunities in sectors that improve the community . . ." (Blakely, 1989, p. 15). Local development efforts also occur in the context of planning, overseen by local, regional and state governments.

Florida's growth and development during the past four decades has been especially dynamic. Its population has soared, climbing from the twentieth most populous state in 1950 to its 1190 rank of fourth. As late as 1900, with a population of approximately 500,000, it was still the smallest state in the South. Projections indicate a ranking of third by the end of the decade. Migration has fueled this population growth, settling primarily in southern coastal communities, and it has been this population growth that has fueled the economy. During the past decade the state has out paced both the nation and the rest of the Southeast in population, employment, and income growth, and has entered the competitive global marketplace.

But there are concerns. A "good business climate" no longer depends simply on low factor costs. In 1988, the state had the second lowest percentage of high school graduates in the nation, and the third lowest

percentage of scientists and engineers. The Florida Chamber of Commerce noted that more than half the state's workers are still employed in low-paying service and retail trade jobs (Lubove, 1988, p. 51). The role of local government in shaping business climates was addressed recently in *Florida Trend*: “. . . (An important key) is the aggressiveness and farsightedness of the local government and the locale's private sector leadership. Where public/private partnerships are in evidence, things happen” (Powers, 1990, p. 16).

Florida's planning history

Historically, Florida's development efforts at both the state and local levels have relied on the lure of cheap land, low taxes, and an attractive natural environment. But there has long been concern for protection of resources and inability of urban areas to keep up with infrastructure demands (Carter, 1979). In 1969, the state legislature passed an act allowing local governments to adopt plans regulating land use, but few did so. (Florida, incidentally, in 1939 was the last state to enact zoning-enabling legislation.)

In 1972, four resource management acts were passed, including the State Comprehensive Planning Act. The Local Government Comprehensive Planning Act was passed in 1975, requiring local governments to prepare and adopt comprehensive plans. The subsequent establishment of Regional Planning Councils was deemed necessary to help local governments in planning matters. The state is presently divided into eleven planning regions (Figure 1).

Although most local governments had adopted plans by 1983, the state agency in charge of reviewing and administering these plans, the Department of Community Affairs (DCA), found the overall quality “below the level necessary” to guide future development. Needed also, according to a Governor's Task Force established to evaluate plans, were clear state policies to direct local planning and a “cumulative understanding of growth's impacts beyond local jurisdictional boundaries” (*Guidelines, 1983, p. 7*). Among seven issues critical to plan development, including the need for more public participation and intergovernmental coordination, was the need to address economic assumptions and

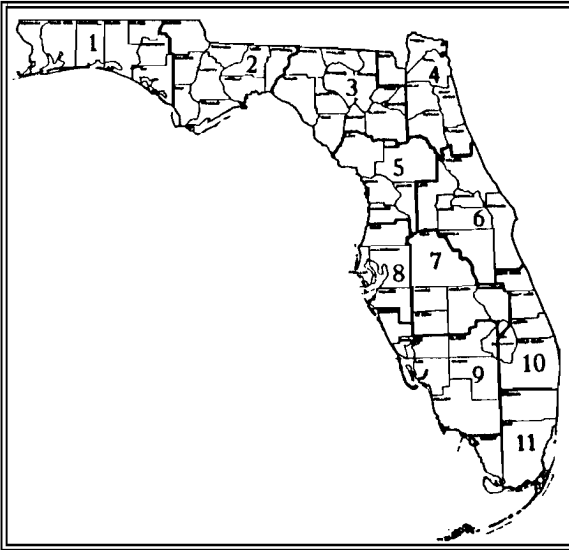


Figure 1. Regional Planning Councils

- 1: West Florida
- 2: Apalachee
- 3: North Central Florida
- 4: Northeast Florida
- 5: Withlacoochee
- 6: East Central Florida
- 7: Central Florida
- 8: Tampa Bay
- 9: Southwest Florida
- 10: Treasure Coast
- 11: South Florida

analysis. Each plan should, according to the Task Force, include an economic base study and a “shift-share analysis or some other analysis which identifies the community’s strengths and weaknesses, and imbalances, including economic and employment needs.”

1985 Growth management act

To address these deficiencies, the legislature in 1985 passed the new Growth Management Act. All 67 counties and 392 municipalities were required, under a staggered schedule, to prepare and adopt comprehensive plans.

These plans were to

“consist of materials in such descriptive form, written or graphic, as may be appropriate to the prescription of principles, guidelines, and standards for the orderly and balanced future economic, social, physical, environmental and fiscal development of the area.” [*Florida Statutes*, 163.3177(1)]

Each comprehensive plan must include eight elements: 1) Future Land Use; 2) Traffic Circulation; 3) Sanitary Sewer, Solid Waste, Drainage,

Potable Water, and Natural Groundwater Aquifer Recharge; 4) Conservation; 5) Recreation and Open Space; 6) Housing; 7) Intergovernmental Coordination; and 8) Capital Improvements. In addition, all coastal governments are required to include a Coastal Management Element, and all governments with population greater than 50,000 are required to prepare a Mass Transit Element and a Ports, Aviation and Related Facilities Element. The requirements for each element are specified, and must include maps. *Any other elements, including an Economic Element, are optional.* The previously recognized need, therefore, to address economic concerns, did not make it into the new Growth Management Act.

To address the lack of state direction, the new Growth Management Act mandated the new State Comprehensive Plan. It includes 26 goals (ranging from education, the economy, and employment, to housing and public safety) with suggested policies for each goal. The state goal for the economy, for example, is that Florida “shall promote an economic climate which provides economic stability, maximizes job opportunities, and increases per capita income for its residents.” But the 14 suggested policies for achieving this goal range from “attracting new job-producing industries, corporate headquarters, distribution and service centers, regional offices, and research and development facilities” to “promoting entrepreneurship and small and minority-owned business startup” and “providing quality child day care for public assistance families.” Local governments were to choose those policies most appropriate for their plans, with the idea that this would promote a “bottom-up” versus “top-down” approach. (But again, including an Economic Element in the local comprehensive plan was optional.)

LGCP Submittal

The schedule for submitting local government comprehensive plans (LGCP) was designed to address coastal concerns first. Starting at the southern end of the state with Dade County, the first plans were due in September 1988. The four-year schedule will be completed during the summer of 1991 (Figure 2).

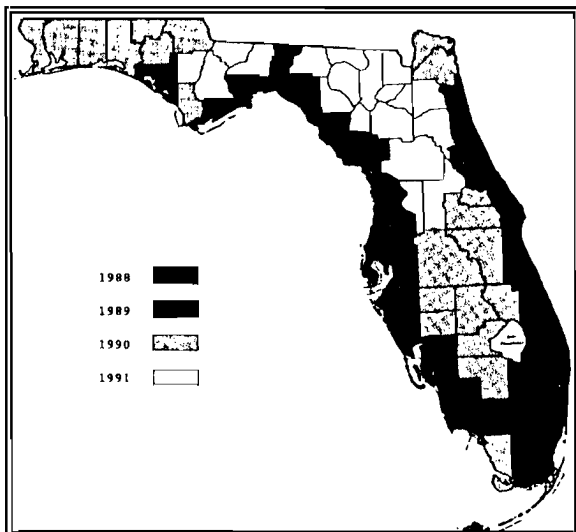


Figure 2. Comprehensive plan schedule of submittal

As of September 10, 1990, of the 238 LGCP's reviewed by the Department of Community Affairs (DCA), 111 had been determined to be "in compliance" with state statutes and administrative rules. (Seven of these were county plans; 104, municipality.) In addition, 9 plans (including one county), had been "brought into compliance

through settlement agreements between DCA and local governments. There were 62 LGCP's (including one county) that had negotiated a final agreement, and 10 more (including 7 counties) with "settlement agreements pending." An additional 46 LGCP's (11 county, 35 municipality) were "not in compliance."

The procedure for plan submittal involves a 90-day review by the state. If a plan does not satisfy DCA requirements, it is returned to the local government with suggested recommendations. Local government then has 60 days to comply and submit a revised plan. There is a 1-year period between the time a plan is adopted and the time local ordinances must be in place to assure implementation. Implementation, therefore, has only recently begun.

It is particularly significant that no Economic Element was required by the 1985 Growth Management Act. By December 1, 1990, only 7 counties had included Economic Elements in their plans—Bay, Indian River, Martin, Palm Beach, Polk, Sarasota and St. Johns. Four additional counties were in the process of developing Economic Elements (Alachua, Lake, Tallahassee/Leon and Putnam). Two counties, Lake and

Lee, were considering developing Economic Elements to be included as amendments to their already adopted plans.

Most local governments are completing *only* those elements required by the state. The plans are usually being prepared by either the local planning department, the regional planning council, or an engineering consulting firm, with little public participation. As long as technical requirements are met, little incentive exists to develop a more "comprehensive" approach. The local plans have often become simply a land-use plan.

As a result, local economic development efforts are still being pursued in a fragmented fashion—many localities have multiple development agencies "doing" development. The more "successful" metropolitan areas have unified efforts. Orlando's Economic Development Commission of Mid-Florida represents not only the city, but also the counties of Orange, Seminole, Lake and Osceola. Dade County with its many Miami municipalities created a county-wide economic development agency in 1985 that replaced 136 separate agencies and now concentrates on small-firm relocation. Jacksonville, the only city in the state with a consolidated city/county form of government, also has a strong centralized Chamber of Commerce that has facilitated economic development efforts (Lubove, 1989).

When asked why their LGCP "did not include any optional elements, such as an Economic Element," the primary reason cited by planners was the lack of financial resources. Funding limitations precluded hiring additional staff, and time constraints in meeting DCA's schedule of submittal exacerbated pressures to complete required elements. Many rural counties had not even considered the possibility of addressing economic concerns. (Comments ranged from "It's not applicable to our area" . . . "That would be too involved." . . . "Too complicated to tie in with state regulations" . . . to "We're so small that an Economic Element really wouldn't pertain to us." A planner in one of the largest urban counties, however, stated "We're really too large to deal with economic concerns—every area is impacted by that.") The impetus to include an Economic Element has most often originated with local

businesses (i.e., Chambers of Commerce). But in at least two counties, Polk and Palm Beach, local elected officials directed the inclusion of the Element.

LGCP elements consist of goals, objectives and policies. A “goal” is “the long-term end toward which programs and activities are ultimately directed.” An objective is a measurable, intermediate step toward that goal. A “policy” means the way in which programs and activities are conducted to achieve an identified goal.” (*Florida Statutes*, Ch. 186) In those counties with adopted Economic Elements, the Goal often encompasses such phrases as “to support balanced and orderly economic growth” (Martin, Palm Beach and Indian River), or “to provide a diversified and stable economy” (Bay and Sarasota).

Martin County included an Economic Element developed in cooperation with a private Economic Council, and seeks, among other objectives, increased growth in manufacturing. Policies to be implemented focus on ensuring adequate acreage designated for industrial use (with the assistance of a GIS) and the establishment of an “Economic Development Board to attract and retain firms providing basic employment such as manufacturing, research and development, and corporate headquarters.” Indian River County’s Economic Element (which contains 52 policies) states that the County “shall encourage the expansion of existing business and attraction of new industry and business, including ‘high-tech’ industries,” . . . “shall focus its industrial expansion efforts on attracting and expanding clean, small-scale light manufacturing and assembly concerns,” . . . and “shall by 1993 prepare an Economic Base Study.” Palm Beach County had begun a series of analyses in 1986, including an economic base study, and this led to an Economic Element that focuses on three of their basic industries—manufacturing, tourism and seasonal residents, and retired persons. (One of several policies is that “the County shall aggressively pursue and encourage the establishment of a major, nationally recognized university in Palm Beach County.”) Polk County, too, has focused attention on its economic base. Working cooperatively with its Economic Development Council and Tourist Development Council, “to ensure that the government remains a positive force on the County’s economy,” the County has included 31

policies related to economic base maintenance and diversification, economic development integrated with planning, and implementation. (Examples of policies include “The Economic Development Council shall continue to market and recruit film producers in the County through a strategic marketing plan” . . . “shall continue programs which encourage and assist existing businesses in the expansion of their market through international trade” . . . “shall continue to market for trade and reverse investment opportunities through the development of an international strategic marketing plan.”)

Central to the new Growth Management Act, and critical to local economic development efforts, are the Act’s concurrency requirements. The required Capital Improvements Element, for example, which focuses on fiscal capabilities for five-year planning periods, “. . . shall include provisions that facilities and services . . . meet the standards established and are available *concurrent* with the impacts of development so that no development order or development permit may be issued which results in a reduction in the levels of service standards established in the comprehensive plan . . .” [*Florida Administrative Code 9J-5016(4)*]. Development can only occur, therefore, if it does not lower any service levels, for any plan elements, below those standards adopted in the plan. Development costs are being addressed in many localities by the adoption or increase in impact fees, but the question of long-term housing affordability and impact on the construction industry has generally not been addressed. Designed to control urban sprawl, the state has encouraged the establishment of urban service areas based on the assumption that services are more efficiently provided in compact urban areas.

Agricultural interests are becoming more vocal as the more northern, rural counties develop their comprehensive plans. Agriculture, still the state’s second largest industry with revenues of \$5.1 billion, is concerned that by restricting growth the concurrency requirements will devalue land. Farmers who rely on land values to finance the purchase of needed equipment face uncertain economic impacts. And the state’s three largest agricultural counties, based on the value of farm goods sold, are some of its most populous—Palm Beach county, with 40% of its land in

agriculture, is the top-producing county in the state, followed by Dade (the Miami metropolitan area) and Hillsborough (including the Tampa area) (Powers, 1990).

Development perspectives

Economic development needs, therefore, vary among different regions and local governments. The needs facing a county such as Alachua, for example, located in the rural North Central Florida area (Regional Planning Council 3), are very different from the needs of a county such as St. Lucie, located in the Treasure Coast area (Regional Planning Council 10). St. Lucie's population has almost doubled during the past decade to its presently estimated 150,000. Per capita personal income (1987 estimate) was \$12,530, compared to the surrounding Treasure Coast region's \$19,956. St. Lucie's unemployment rate in 1987 was 10.2%—twice the state's average.

Alachua County, with a population of approximately 180,000 and per capita income of \$12,655, is comparable to St. Lucie's population and income averages, but higher than its surrounding region's \$11,330 per capita personal income. The 1987 official unemployment rate for Alachua County was 3.4%. But analysis in the Economic Element of the county's comprehensive plan (Alachua is one of those counties in the process of including an Economic Element), notes that these statistics are misleading since they fail to illustrate the significantly higher unemployment rate for minorities (averaging 10.8%), and do not begin to address the underemployment problem.

Further analysis of Alachua County's efforts to address economic development concerns reveals varied responses to the planning process. The city of Gainesville in Alachua County is home to the University of Florida, a major research university. It is the region's largest employer, and it is hoped that a research and technology park established seven years ago in the small town of Alachua (10 miles northwest of Gainesville) will promote economic development. The county has the highest percentage of service sector employment in the state (48%). There are at least ten groups in the county involved in economic development, and during the past year there has been increased activity to expand

development efforts. The city of Gainesville will include one optional element in its comprehensive plan—Historic Preservation.

Several smaller towns in Alachua County, using broad public participation, have been developing their own comprehensive plans. In High Springs, a town of approximately 2,500 population, more than 90 people have been involved in the planning process. High Springs, 10 miles northwest of the small town of Alachua and 7 miles from Interstate 75, watched as Alachua annexed its surrounding land (ostensibly to reap the benefits anticipated by growth and development). Annexation has also recently been employed by High Springs to provide more local control over the surrounding area, but by last year they proposed adoption of the state's "urban reserve" concept. The town proposed to establish boundaries that encompass an area of approximately 60 square miles instead of their present 10. High Springs' vision of economic development will be part of an Economic Element in their comprehensive plan, and includes promoting tourism to enhance the growth of local small businesses and encourage the addition of new establishments. The town of Micanopy, population 800 within 1-square mile city limits, considered annexing an area of approximately 60 square miles to have more control over surrounding growth. (That option has since been eliminated.) Micanopy's comprehensive plan will include both Economic and Historic Preservation Elements.

Annexation efforts by the city of Gainesville have not been productive during the past several years, and growth is evident beyond political boundaries. The county's state legislative delegation proposed structural change in city/county consolidation last spring, but voters rejected the proposal in the September 4th primary. The new Boundary Adjustment Act, facilitating annexation efforts, was automatically established. The only other local government in Florida presently considering consolidation is Leon County. (Leon is one of four counties developing an Economic Element for their comprehensive plan. They have consolidated their planning efforts by producing a combined Leon/Tallahassee comprehensive plan.)

Summary

Florida's local governments, therefore, are rarely addressing long-term economic issues in responding to the 1985 Growth Management Act. Funding limitations, technical requirements and time constraints limit incentives to more "comprehensively" plan for future growth and development. But it is local economic vitality that establishes the foundation for state-wide economic health. As Florida moves forward in new planning directions, its vision of the future must address development concerns. A shared understanding of the impacts and opportunities provided by Growth Management must be cultivated by both the public and private sectors. Development needs differ—between and among municipalities, counties and regional planning areas. Florida's future is being shaped—but by whom, and with what consequences—is yet to be decided.

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